



WISCONSIN EDUCATION ASSOCIATION COUNCIL

To: Members of the Senate Committee on Economic Development and Veterans and Military Affairs

From: Wisconsin Education Association Council

Date: January 10, 2012

Re: Support for SB 293, entrepreneurial assistance grants

The Wisconsin Education Association Council supports SB 293 as a way to promote partnerships between start-up businesses and higher education. This legislation offers a win-win scenario for both college students seeking on-the-job training opportunities and businesses seeking bright, talented workers. It also will build on the successful development of programs at colleges to serve as a complement to local business needs.

The strategies for job creation enacted as part of the 2011-13 state budget have not produced results. Our state's economy is faltering and the tax breaks for corporations and the wealthy have not produced the promised jobs. In fact Wisconsin is losing jobs and struggling families throughout the state are crying out for a solution to the state's economic woes. The state needs to reverse course and begin investing once again in education and training to strengthen the state's business climate.

To jump start our state's struggling economy, policymakers should pursue innovative approaches, such as those contained in SB 293, that will actually lead to job creation and spur economic development. This legislation recognizes that education holds the key to our state's future. It is an investment that reaps ample economic rewards, attracts businesses to our communities and moves our state and economy forward.

The Wisconsin Technical College System will undoubtedly be a key partner in the implementation of SB 293. With their focus on career training, our technical colleges are an engine that drives economic and workforce development. SB 293 will act as a bridge between the colleges and the business community, connecting Wisconsin start-up businesses with the trained workers they need.

For all of these reasons, please support SB 293 as a key economic development strategy tied to the state's future prosperity.

If you have any questions, please contact Deb Sybell, WEAC Legislative Program Coordinator, at (608) 298-2327 or sybeld@weac.org.

Mary Bell, President
Dan Burkhalter, Executive Director



JULIE LASSA

STATE SENATOR

Testimony on Senate Bill 293

Senate Committee on Economic Development and Veterans and Military Affairs
Tuesday, January 10, 2012
400 Southeast
10 a.m.

Good morning, Chairman Leibham and committee members. Thank you for holding a hearing today on Senate Bill 293, which will provide WEDC a new tool for helping business startups thrive and foster the spirit of entrepreneurship among Wisconsin students.

We have heard many times that the growth and health of Wisconsin's economy will depend in large part on how well new business startups thrive. As both the Wisconsin Technology Council White Papers and the University of Wisconsin Research to Jobs Report have pointed out, one of the principal barriers to success for new startups is access to basic business skills. Most entrepreneurs who start small businesses do so because they have an idea for a product or service that they are knowledgeable and passionate about. Whether it's a chef who wants to start a restaurant or a biotech scientist who wants to convert a research discovery into a new pharmaceutical or medical device, these new business owners bring a specific kind of expertise to the table. Quite often, that expertise does not extend to various kinds of back-office and other support skills. The chef may have no idea of how to keep financial records and manage a budget, for instance. The biochemist may need the help of an engineer to turn a concept into working plans. And they may both need IT support to manage their businesses successfully. These kinds of support skills are vital to any business, but they are especially important to startups, which are typically short on resources and have less margin for error than later-stage enterprises. And because of that shortage of resources, startups often lack the expertise they need to survive the perils of their early years.

We have also heard much about the effect of the brain drain on our state, and that students who have in-demand business and technical skills often take those skills

elsewhere after they graduate. That trend is one of the reasons that Wisconsin has fewer college degree holders per capita than neighboring states, and that in turn negatively affects per capita income and the state's overall competitive strength.

The bill you have before you addresses both challenges. SB 293 authorizes the Wisconsin Economic Development Corporation (WEDC) to award a grant of up to \$3,000 to a new business for the business's expenses related to hiring, as paid interns, university and technical college students studying business, engineering, information technology, or a similar field. Interns will work directly with entrepreneurial businesses and gain hands-on experience in research marketing, business plan development, or other functions related to the creation and growth of a new business.

In addition, if three or more of these paid interns are enrolled at a single institution and the institution of higher education develops a program to support internships funded by these grants, WEDC may award a grant of up to \$25,000 to the institution to support the program.

This bill was developed in consultation with institutions such as UW-Parkside and Carthage College, which are interested in pursuing formal internship programs like these that link students with entrepreneurs who can use their skills and give them valuable work experiences to round out their education.

This proposal creates a win-win situation for businesses, students, and our entire state. Startups can receive low-cost assistance in vital business skill areas, assistance that can help them meet the challenges they face and survive to become businesses that thrive, grow, and add jobs in our state. Students get real-world experience in their chosen profession, experience which will be of great help in today's challenging job market. But even beyond the resume material, they will be introduced to the world of entrepreneurship. They will learn what it takes to start a business, and hopefully more than a few will catch the bug and be interested in working in entrepreneurial settings themselves. And they will build relationships that may lead directly to jobs when they graduate.

This is an inexpensive program that can play an important role in nurturing the small businesses which will be responsible for Wisconsin's economic future. I urge you to give it your support.



January 10, 2012

Senate Committee on Economic Development
and Veterans and Military Affairs

Senate Bill 293

Representative Peter Barca

Chairman Liebham and members of the Senate Committee on Economic Development and Veterans and Military Affairs; thank you for holding a public hearing on Senate Bill 293, which will create an Entrepreneurial Assistance program and establish partnerships between new businesses and universities through paid internship programs.

Founding and growing a new business is not an easy task. Beyond the need for adequate funding, it also takes a great deal of research, initiative, and human resources to create a small business.

At the same time, our colleges and universities are rich with bright, young individuals who are looking forward to real world experience and opportunities to network within their chosen career field.

One way that we can assist new businesses would be to help foster partnerships between these newly founded companies and our colleges and universities. This bill would provide grants through WEDC that would go to businesses that have been recently founded for the purpose of facilitating paid internships for business and business-related students. These interns would work under the guidance of a professor in assisting the company in whatever activities they most need assistance, such as developing a business plan, conducting research, marketing, engineering, and other functions necessary to the formation of a new company.

The bill would also provide grants directly to a college or university that is providing and guiding groups of interns working with three or more companies for the cost of the professor overseeing the work of the interns, guiding research, and developing any necessary assistance to successfully implement the program.

It is anticipated that there will be more demand than resources so WEDC will be encouraged to fund those businesses that can demonstrate the most potential for net new job development. This will hopefully lead to funding high growth businesses that have long term potential for producing new jobs and new industry for Wisconsin.

Thank you for your time today and I would appreciate your support when Senate Bill 293 comes for a vote before this committee.

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Egerer, Matt

From: Ebeid, Fred J [ebeid@uwp.edu]
Sent: Monday, January 09, 2012 10:06 PM
To: Egerer, Matt
Cc: Ruffolo, Carmel G; Ford, Deborah L
Subject: RE: Entrepreneurial Assistance program

Matt,

Thanks for the notice. Unfortunately, I have a planned engagement tomorrow in Milwaukee, where I will be taking two students to the Financial Executives International (FEI) dinner meeting. I will, however, forward some comments to my colleague, Carmel Ruffolo, so that UW-Parkside may speak with one voice. These comments are presented as follows:

I am strongly in favor of the bill put forth by Representative Peter Barca offering small businesses support in the hiring of college interns to assist in their start-up phase. I see this bill as benefiting students in gaining hands-on experience in solving real-world entrepreneurial problems. It will also encourage students to consider establishing a new venture that may lead to job creation and subsequent increased tax revenue for the state, and all at a relatively small cost. Additionally, it will help new start-up firms gain an increase chance of success in what is now a strongly competitive global marketplace. This assistance may take the form of student provided market research, financial analysis, and/or managerial decision-making. Overall, I see this as a win-win-win situation for the emerging small businesses firm, for students to put into practice entrepreneurial theories and practices learned in the classroom, and added tax revenue for the state from the creation of new jobs and businesses.

Regards,

Fred

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From: Egerer, Matt [Matt.Egerer@legis.wisconsin.gov]
Sent: Monday, January 09, 2012 3:17 PM
To: Ebeid, Fred J
Subject: Entrepreneurial Assistance program

Dr. Ebeid,
 Representative Barca asked that I pass along the following information about a hearing tomorrow on a bill he has